

Exhibit XX

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HFZ, Carlyle split up at 505 West 19th St.

Investment firm paid developer \$44.1M for four unsold units

TRD NEW YORK / By [E.B. Solomont](#)

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With four apartments left to sell — including two penthouses — HFZ Capital Group and the Carlyle Group look to have split up at 505 West 19th Street.

Property records show that in November, [Carlyle](#)  bought the remaining units at the Thomas Juul-Hansen-designed luxury condominium development from [HFZ](#) for \$44.1 million, the total amount the unsold units were asking. Carlyle then re-listed the apartments several days after taking ownership.

While terms of the sale are not entirely clear, sources

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While terms of the sale are not entirely clear, sources said Carlyle pressured HFZ's **Ziel Feldman** to drop prices for the unsold units, in a nod to the softening at the top of the luxury market. Unsold units at the 35-unit project, which hugs the High Line, are asking between \$1,904 per square foot and \$3,216 per square foot. But Feldman, who is developing a **Bjarke Ingels**-designed luxury project at Nearby 76 11th Avenue, reportedly refused.

"They have divergent interests," said real estate attorney Terry Oved, who was not involved in the project. While Carlyle may have needed or wanted to close out its investment — and been willing to lower prices to do so — HFZ may not be in as much of a hurry, and plus, "they want to maintain a high resale price for that neighborhood," he said.

HFZ paid \$46.25 million for the site at **505 West 19th in 2012**, property records show. Sales launched in March 2014, with **three penthouses** all asking more than \$17 million.

Only one penthouse sold, however, for \$17.921 million, a price that included a parking spot. This past October, the developers chopped prices for the two others: Penthouse 1, a 5,728-square-foot, four-bedroom pad, is now asking \$17.5 million (\$3,055 a foot), down from the original ask of \$22 million (\$3,841 a foot). Penthouse West, a 4,664-square-foot unit, is now listed for \$15 million (3,216 a foot), down from \$19 million (\$4,074 a foot).

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In addition to the two penthouses, Carlyle bought units 2D and 3W, now listed for \$5.95 million and \$4.75 million, respectively.

Carlyle declined to comment, as did HFZ. The listing brokers for the four units — the Corcoran Group’s Shelley O’Keefe, Michael Johnson and Hayim Nommaz — did not respond to requests for comment.

One real estate attorney familiar with the project said the deal amounted to a “business divorce.”

“They [likely] said, ‘At this point, we can’t sell for the price we agreed on under the plan. Let’s make a deal... we’ve got other things we want to do,’” the lawyer said.

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For HFZ, that other thing is likely its megaproject at 76 11th, where it plans to build two towers with 302 condos. HFZ paid \$870 million for the site in November 2014, and Feldman has said units would be priced between \$4 million and \$8 million, or \$3,000 to \$4,000 per square foot.

In October, *The Real Deal* reported that HFZ was in talks for \$1.2 billion in construction financing for the project.

In August, in a cover story on real estate developers' secret backers, *TRD* reported that HFZ's backers include the diamond magnate Beny Steinmetz. Last month, Steinmetz, an Israeli-French billionaire, was placed under house arrest in connection with an international bribery probe. When writing about the arrest, *TRD* mentioned the HFZ-Steinmetz connection, citing sources. But on Dec. 21, a representative for HFZ sent the following statement: "Beny Steinmetz is not in any way a 'backer' of HFZ. He is not an investor in HFZ."

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